

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BUFFALO TRAIL WATER)	
ASSOCIATION, INC. OF ROBERTSON COUNTY,)	CASE NO.
KENTUCKY, FOR A CERTIFICATE OF PUBLIC)	94-094
CONVENIENCE AND NECESSITY)	

O R D E R

By application filed March 18, 1994, Buffalo Trail Water Association, Inc. ("Buffalo Trail") is seeking authorization to construct a \$290,062 waterworks improvement project. Project funding was approved by the Commission in Case No. 93-464.¹

The proposed construction will provide water service to about 98 additional customers. Buffalo Trail originally proposed to construct water line extensions on Pea Ridge Road, Fosters Chapel Road, Kentucky Highway 165, Kentontown Road, Central Ridge Road, and Louderback Lane. Subsequent to filing its application, Buffalo Trail informed the Commission that the water line extensions on Pea Ridge Road and Fosters Chapel Road had already been constructed. Plans and specifications for the remaining four line extensions prepared by Maysville Survey and Engineering Company, Inc., Maysville, Kentucky ("Engineer"), have been filed with the Division of Water of the Natural Resources and Environmental Protection

¹ Case No. 93-464, The Application of Buffalo Trail Water Association, Inc. of Robertson County, Kentucky, for an Order Approving Issuance of Evidence of Indebtedness and for an Order Modifying the Order Relative to Construction Financing in Public Service Commission Case Number 91-241.

Cabinet ("Division of Water"). Approval has been granted for the Central Ridge Road line extension by the Division of Water. Buffalo Trail is awaiting approval of the remaining three projects.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. KRS 278.020 requires a utility to obtain approval of the Commission prior to beginning the construction of any facilities not constructed in the usual course of business. Since Buffalo Trail has informed the Commission that the line extensions on Pea Ridge Road and Fosters Chapel Road have already been constructed, no Certificate of Public Convenience and Necessity should be granted.

2. Buffalo Trail's construction of facilities (the line extensions on Pea Ridge Road and Fosters Chapel Road) without a Certificate of Public Convenience and Necessity from the Commission is an issue that should be investigated and resolved apart from this proceeding.

3. The Engineer has provided information which indicates that reliable and adequate service can be provided in the proposed project area. However, Division of Water approval has not been obtained for three of the four line extension projects. Buffalo Trail should file the Division of Water approvals with the Commission prior to starting construction on these three line extension projects.

4. With the anticipated filing of the approvals from the Division of Water as outlined in Finding 3, public convenience and

necessity require that the construction proposed be performed and that a Certificate of Public Convenience and Necessity be granted.

5. The proposed construction consists of 19.6 miles of 4-inch diameter pipelines, and related appurtenances. After allowances are made for fees, contingencies, and other indirect costs, the total cost of this project is approximately \$290,062.

6. Buffalo Trail should monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 5(1), Buffalo Trail should take immediate action to maintain the level of service in conformance with the regulations of the Commission.

7. Buffalo Trail should obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

8. Any deviation from the construction approved should be undertaken only with the prior approval of the Commission.

9. Buffalo Trail should furnish documentation of the total costs of this project including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed. Construction costs should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Water Utilities prescribed by the Commission.

10. Buffalo Trail should require construction to be inspected under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering, to ensure that the construction work is done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

11. Buffalo Trail should furnish, within 60 days of the date of substantial completion of this construction a copy of the "as-built" drawings and a signed statement of the Engineer that the construction has been satisfactorily completed in accordance with the contract plans and specifications.

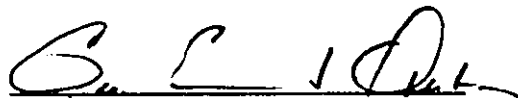
IT IS THEREFORE ORDERED that:

1. Buffalo Trail be and it hereby is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction project as set forth in the drawings and specifications of record herein for Kentucky Highway 165, Kentontown Road, Central Ridge Road, and Louderback Lane, provided that Buffalo Trail files the information as outlined in Finding 3.

2. Buffalo Trail shall comply with requirements contained in Findings 6 through 11.

Done at Frankfort, Kentucky, this 11th day of April, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director